VZCZCXYZ0013 RR RUEHWEB

DE RUEHGT #0049 0161204 ZNR UUUUU ZZH R 161204Z JAN 09 FM AMEMBASSY GUATEMALA TO SECSTATE WASHDC 6803

UNCLAS GUATEMALA 000049

SENSITIVE SIPDIS

DEPT FOR PM/DTCC - BLUE LANTERN COORDINATOR

E.O. 12958: N/A TAGS: <u>ETTC</u> <u>KMOC</u> <u>GT</u>

SUBJECT: GUATEMALA: BLUE LANTERN PRE-LICENSE CHECK,

050137875

**REF: STATE 133162** 

- 11. (SBU) Summary: In response to reftel, PolMil Officer researched the bona fides of the arms import company Comercial Agricola Bolanos (CAB). The research included an on-site inspection of CAB, an interview with the company's owner, and records checks of both the company and the owner with the Guatemala's Arms and Municions Control Department (DECAM). As a result of the investigation, Post recommends approval of reftel license. End Summary.
- 12. (SBU) On January 8, Emboffs conducted an on-site inspection of CAB located at Calzada San Juan 4-34, Zona 3 Mixco, Guatemala City and interviewed the company's owner, Jose Eduardo Bolanos. Bolanos was fully cooperative during the interview, offered complete access to his records, and a tour of the facility. CAB is located on the bottom floor of a commercial retail location and includes a well-secured storefront with good signage, security bars and a security guard protecting the immediate area surrounding the store and parking lot. The store has a small retail area and a weapons counter. In the back of the store is a second room where there is one clerical desk and a weapons storage room with the owner's office located up one flight of stairs. Overall, the retail, office and weapons storage room were satisfactory; however, upon inspection, the Emboffs discovered that a large quantity of weapons and ammunition were placed outside the weapons storage room in the clerical area and upstairs in the office, due to a lack of sufficient space in the weapons storage room. The weapons storage room itself is very secure with all of the necessary protective measures needed including infrared motion detectors in the walls and ceiling. The room is made of four solid cinder block walls with one reinforced steel-grated wall. Bolanos has plans to expand his business to increase the size of his weapons storage room, which should be completed before large volume orders are approved.
- ¶3. (SBU) According to Bolanos, he has been in the arms industry for 14 years, starting in 1995. He is the sole owner of this company and has a prior business history in the agriculture industry. Bolanos imported about 100 weapons from the U.S. in 2008, and stated that he would like to import more from the U.S. (mostly .38 caliber), but he has found that smaller orders (50 weapons or less) are more likely to be approved than larger orders. (Comment: Limiting the number of weapons granted under import licenses may serve as a deterrent to the practice of arms wholesaling. End Comment.) According to Bolanos, the recent reftel license purchase of .38 and .22 caliber revolvers will be sold in small amounts (five or six per sale) to distributors throughout the city. In addition to the U.S. imports, Bolanos imports most of his pistols from Argentina, with additional imported rifles and ammunition from Bulgaria, Italy, Turkey and The Philippines.
- ¶4. (SBU) CAB books and DECAM registries were well maintained,

and indicated that while CAB does sell some of the weapons imported from the U.S. to other arms dealers, the company also sells a substantial number of the weapons to private citizens.

15. (SBU) CAB has a clean record with DECAM and has passed all routine inspections without incident. According to DECAM's Director, Colonel Hector Del Cid, CAB is a large-scale but well managed weapons store that has always operated within local laws and regulations. Based on the results of the on-site inspection, interviews and a records check with DECAM, Post recommends approval of the reftel license.

McFarland